

## Message Text

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ACTION EB-08

INFO OCT-01 EA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03  
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DOE-15 STRE-00 /124 W  
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R 212247Z APR 78  
FM AMEMBASSY TOKYO  
TO SECSTATE WASHDC 7321  
USMISSION GENEVA

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USMTN  
DEPARTMENT ALSO PASS STR ELECTRONICALLY

E.O. 11652: NA  
TAGS: ETRD, MTN, JA  
SUBJECT: PRESS REPORTS OF ADDITIONAL JAPANESE  
MTN TARIFF REDUCTION OFFERS

SUMMARY: APRIL 19 PRESS REPORTS INDICATE GOJ HAS DECIDED TO MAKE ADDITIONAL TARIFF REDUCTIONS IN MTN OFFERS. REPORTS SAID REDUCTIONS WILL BE IMPLEMENTED EARLY AND THAT LIMITED TARIFF CUTS MADE IN MARCH WILL BE EXTENDED THROUGH 1979. MOFA OFFICIAL, HOWEVER, DENIES DECISIONS HAVE BEEN MADE ON REDUCTIONS. EMBASSY BELIEVES DECISION MAY NOT BE FINAL, BUT THAT PROCESS IS WELL ALONG. END SUMMARY.

1. KYODO NEWS SERVICE APRIL 19 REPORTED THAT THE GOJ HAS DECIDED TO MAKE BROAD TARIFF CONCESSIONS TO THE U.S. AND EC IN THE MTN  
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BECAUSE JFY 1977 FINISHED WITH A CURRENT ACCOUNT SURPLUS OF \$14.13 BILLION. THE ARTICLE SAYS THAT JAPAN'S CURRENT 42 PERCENT AVERAGE TARIFF CUT OFFER WILL BE SWEETENED BY A FEW MORE PERCENTAGE POINTS; THE CUTS WILL BE IMPLEMENTED EARLY NEXT YEAR; AND JAPAN'S 124 ITEM LIST OF LIMITED TARIFF REDUCTIONS OF MARCH 4 WILL BE

EXTENDED INTO 1979. THE REPORT QUALIFIES THESE OFFERS BY SAYING THEY DEPEND ON THE PRIME MINISTER'S DISCUSSIONS IN WASHINGTON AND THAT HE WILL EXPECT RECIPROCITY.

2. AN OFFICIAL OF MOFA TOLD EMBOFF THAT THE GOJ IS RESTUDYING THEIR PREVIOUS OFFERS, BUT THAT NO DECISIONS HAVE BEEN MADE CONCERNING ADDITIONAL TARIFF REDUCTIONS. ADVANCE CUTS, HE SAID, WOULD DEPEND ON ECONOMIC CONDITIONS AT THE TIME AND THE GOJ CANNOT CONSIDER THEM NOW. AS FOR EXTENDING THE TIME FRAME OF LIMITED REDUCTIONS, HE NOTED THAT THERE HAVE BEEN VERY FEW INSTANCES WHERE JAPAN HAS REIMPOSED TARIFFS ONCE THEY WERE REMOVED, EVEN TEMPORARILY. HOWEVER, HE SAID, THE GOJ HOPES THAT MINISTER USHIBA CAN GIVE AMBASSADOR STRAUSS SOME INDICATION OF THE DIRECTION JAPAN IS MOVING THE NEXT TIME THEY MEET.

3. COMMENT: IN MAKING HIS POINTS, OUR SOURCE MENTIONED THAT A DECISION COULD NOT BE REACHED ON ADDITIONAL TARIFF CUTS UNTIL ALL INVOLVED PARTIES HAD BEEN CONSULTED. "WE STILL HAVE TO DISCUSS THEM (CONSIDERED CUTS) WITH THE INDUSTRY," HE SAID. THIS IMPLIES THAT SOME SORT OF GOJ CONSENSUS HAS BEEN REACHED AND THE PROCESS HAS REACHED THE POINT WHERE AFFECTED INDUSTRIES  
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MUST BE SOLD THE IDEA OF ADDITIONAL TARIFF REDUCTIONS. USHIBA HAS PUBLICLY STATED THAT JAPAN SHOULD MAKE ADDITIONAL MTN OFFERS AND THE PRIME MINISTER WOULD LIKE TO HAVE SOMETHING POSITIVE TO TAKE TO WASHINGTON. END COMMENT.  
MANSFIELD

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** POLICIES, TARIFFS  
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**TAGS:** ETRD, JA, US, MTN  
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